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REPORT

CD NO.

50X1-HUM

COUNTRY Communist China

DATE OF
INFORMATION 1948

SUBJECT Economic - Currency reform

DATE DIST. 17 March 1949

HOW
PUBLISHED Daily newspaperWHERE
PUBLISHED Ta-lien (Dairen)

NO. OF PAGES 2

DATE
PUBLISHED 18 November 1948SUPPLEMENT TO
REPORT NO.

LANGUAGE Chinese

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SOURCE Ta-lien Jih-pao (Dairen Daily), No 961. (Information requested.)KWANTUNG GROUPS ISSUE MANIFESTO ON CURRENCY REFORM

To all members of the Kwantung Labor Union, Peasants' Union, Democratic Youth Federation, and Women's Federation! To our fellow-citizens of all classes!

On the 14th of this month the Kwantung Government issued an order to effect a currency reform in Kwantung. This was a further step of the democratic government to improve financial conditions, to reduce the amount of currency in circulation, and to lower the price of goods. We should all give our earnest support to this measure in order to guarantee that this effort of the government will be completely successful!

Reasons for the Currency Reform

In the midst of the war against Japan, the Soviet Army, in accord with the Sino-Soviet Treaty of Friendship, issued military notes. The circulation of these notes was of much use in stabilizing the Kwantung people's livelihood and in augmenting production, in contrast with conditions in KMT areas. However, the war has been over for 3 years and there is no longer any need for the temporary military notes to circulate. Therefore, the democratic government must issue a unified currency for the region, reduce the amount in circulation at present, raise the value of the financial unit, and reduce prices in order to foster a still more solid expansion of the economy.

Future Effects on the People's Livelihood

By raising the value of the monetary unit, prices will be reduced and the economy will become more stable. With purchasing power increased, trade will be more active, profits larger, and commerce more prosperous.

While the wages of the vast majority of workers will remain the same as before, because the value of the unit is raised and prices are lowered, real income will be increased and livelihood will be improved.

This currency reform on the one hand improves the financial situation by unifying the currency circulation, and, on the other, gives our industries favorable conditions for growth. As purchasing power increases, demand also

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increases and goods are easier to sell. Industry is thus more able to buy raw materials and produce more goods.

Education of the People

There may be some who do not understand currency reform and who have some doubts, which we must patiently and carefully try to resolve.

Some persons think, "Last year it was revenue stamps, this year, currency reform; what will it be next year?" This is a mistake. Last year's revenue stamps were a temporary measure to counter the plans of reactionaries to destroy the Kwantung economy and so guaranteed our security of livelihood for the past year. This currency reform is designed to set up a solid currency system that cannot easily be changed.

Others think, "With this change of paper notes, we shall be the losers again." This is a mistake. Although the amount of currency is lessened, real income is increased and there is no loss. On the other hand, when the circulation of notes is greatly increased, income is greatly diminished, and it is then that loss is incurred.

There may be a few who heard large amounts of military notes, claiming that the method of exchange is not just. Different rates are prescribed because (1) the laboring people, having borne the brunt of reconstruction and constituting the largest element of the population, must receive priority, and (2) the general welfare of society can only be taken care of by securing the long-term welfare of the majority; otherwise there is no way to guarantee the partial welfare of a small number of individuals.

Some people with evil intent compare these new notes with the gold yuan of IMF areas. This is entirely false. The gold-yuan issue was merely an exchange of one worthless currency for another. After the people's gold and silver had been obtained, prices shot up, production was destroyed, and people had nothing to live on.

Our democratic government, however, considers the people's welfare as its own welfare. Our currency reform is to raise the value of the unit, bring down prices, increase the people's real income, and increase production.

We propose that each factory, village, agency, group, and school, as soon as they see the government's order, at once organize conferences, give it publicity, start discussions, and earnestly support it.

To all our members and to our fellow-citizens of all classes: This currency reform is the result of the Soviet Army's protection of the Kwantung people's peace and democracy and of our own striving for increased production during the 13 years. It is the victory of the people.

Issued by the Kwantung General Labor Union, Kwantung General Peasants' Union, Kwantung Women's Federation, and the Kwantung Democratic Youth Federation.

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